



MAYOR AND COUNCIL AGENDA

NO. 7

DEPT.: CPDS

STAFF CONTACT: Scott E. Parker, AICP

DATE PREPARED: Feb. 23, 2005

FOR MEETING OF: Mar. 14, 2005

SUBJECT: Adoption of Resolution regarding Concept Plan amendment CPD1995-0002B, King Farm, to amend approved Concept Plan. The request is in two parts: 1. An amendment to allow designated senior housing type uses in lieu of 1.25 million square feet of office. 2. The City is also requesting, as part of the Concept Plan amendment, that the Land Use designation for the approximately five-acre park site be changed to from park use to park/residential use or for any other use permitted in a CPD subject to certain public hearing requirements.

RECOMMENDATION: Adopt the Resolution of Approval (attachment 1).

DISCUSSION: In July of 1996, the Mayor and Council approved Concept Plan Application CPD95-0002, thereby authorizing development of the 430-acre King Farm as a major mixed-use development containing up to 3,100,700 square feet of office space, 3,200 housing units and 125,000 square feet of neighborhood retail space. The tract is in the O-3, Restricted Office Zone, where a Comprehensive Planned Development is a voluntary optional method of development.

The Concept Plan allowed shifting of the office density between the various office development pods. To date, detailed applications have been approved for four office buildings, for a total of approximately 805,992 square feet, including ancillary retail, restaurant and fitness center space. To date, three buildings have been built or are under construction, totaling approximately 560,649 square feet.

The areas that the Concept Plan identifies as office development do not, however, allow for the addition of additional residential units as part of a senior housing use proposal.

KING FARM PROPOSAL: King Farm Associates has applied for CPD1995-0002B, an amendment to their approved Concept Plan. The subject of the request is to seek approval from the Mayor and Council, after Planning Commission recommendation, to amend the Concept Plan to allow for a senior housing component within the Irvington Centre office development area, in lieu of approximately 1.25 million square feet of office development.

The proposed land uses for this amendment will include three components. The first will be independent senior living. The second will be assisted living, and the third will be that of nursing home uses. Currently, the existing CPD section of the Ordinance allows for the first two components of the proposal, but not the nursing home uses. This component of the proposal is the subject of a text amendment (TXT2004-00211) that was reviewed by the Planning Commission at its meeting of June 23, 2004, and recommended for approval. An ordinance granting the text amendment has been prepared for introduction and adoption by the Mayor and Council.

The Concept Plan amendment will be in the form of a change in a defined area of the concept plan's land use plan within Irvington Centre, which is currently designated as "office." The new designation will be "office," with a note on the land use plan exhibit that will state "alternate location for a square footage of 1.25 million square feet of independent living, assisted living and/or nursing home uses, and related recreational and common use facilities" (see attachment 1, amended Exhibit 2D).

CITY REQUEST FOR THE PARK SITE:

On June 1, 2004, the Mayor and Council instructed staff to begin steps to sell the 1.5-acre farmstead house in the approximately five-acre farmstead park for office use, following a recommendation by the King Farm Farmstead Task Force. The task force submitted that the farmstead house is inappropriate for public use, requiring significant resources and alterations to retrofit it. It should be noted that the task force preferred that the house be sold as a private residence.

Maryland Route 355, Piccard Drive and an automobile sales lot border the farmstead park site ("Park Site") of King Farm, at the northern boundary of the CPD. The entire Park Site has been designated through the Concept Plan as a park use. The farmstead house property encompasses a 1.5-acre portion of the site. The house is currently unoccupied.

Currently designated as a park in the approved concept plan, the City is utilizing the opportunity of the Concept Plan amendment to change the land use designation of the site to facilitate the Mayor and Council's goal of being able to utilize or sell the property. Although the original proposal was to change the land use designation of only the 1.5-acre farmstead house, it was noted in discussions following the public hearing that the full range of possible desirable uses for the Park Site is not currently known, and greater flexibility was desired to allow the City and the community to take full advantage of some desirable use in the future that may require more than the 1.5 acre area.

Similarly, earlier discussions about limiting potential office use to a maximum floor area and to C-T development standards, limitations on fence styles and scenic easements were rejected as having the potential for unintended restrictive consequences.

In order to provide the City with the maximum flexibility to utilize the property for purposes deemed desirable, Staff recommends that the use designation for the entire Park Site be changed to park/residential and to any other use permitted in a CPD, subject to certain public hearing requirements.

In order to provide for input from the community as to the use and help protect the character of the site, Staff recommends that prior to utilization of the Park Site, or any portion thereof, for any use other than a park or residential use, the Mayor and Council shall conduct a public hearing on the proposed use and initiate the process for consideration of the Park Site, or portion thereof, for designation as an historic district. If the house is so designated, exterior changes to the house would have to be approved by the Historic District Commission ("HDC").

NOTIFICATION:

Notices were sent to approximately 1,275 residences and businesses. As required by the Zoning Ordinance, certified mail was sent to approximately 106 property owners adjacent to the King Farm.

Moderately Priced Dwelling Units

The applicant has submitted a proposal for the applicability of the MPDU Ordinance to staff. This proposal, which is called "Senior Affordable Housing Program (attachment 2)," was presented to and accepted by the Mayor and Council during the Discussions and Instructions to Staff phase of the application.

PLANNING COMMISSION RECOMMENDATION

On July 14, 2004, the Planning Commission reviewed the proposal and provided recommendations to the Mayor and Council (attachment 3). The Planning Commission forwarded a positive recommendation for the senior housing portion of the application.

As for the second part, the Planning Commission has unanimously recommended against the re-designation of the farmstead site, citing their desire not to see commercial uses on the site.

Next Steps: Upon approval of the Resolution, it is anticipated that the applicant will file a series of detailed applications that will be evaluated and approved by the Planning Commission. The Mayor and Council will review the architecture and site design of the various components of the Continuing Care Retirement Community ("CCRC") as part of the Concept Plan requirement that all non-residential structures shall be reviewed by the Mayor and Council.

PREPARED BY:



Scott E. Parker, AICP, Acting Chief of Planning


3/8/05
Date:

APPROVED BY:



Arthur C. Chambers, AICP, Director CPDS

3/8/05
Date:



Scott Ollery, City Manager

3/11/05
Date:

LIST OF ATTACHMENTS:

1. Resolution of Approval
2. Senior Affordable Housing Program
3. Planning Commission Memo

ATTACHMENT 1

Resolution No. _____

RESOLUTION:

To amend Resolutions 10-96 and 25-03 to approve a Concept Plan Amendment for Concept Plan CPD 95-0002; King Farm

WHEREAS, on July 8, 1996, the Mayor and Council approved Resolution No. 10-96 approving CPD 95-0002 (“Concept Plan Application”) for a comprehensive planned development on 430.63 acres, more or less, called the “King Farm”, located east of Interstate 270, north of Gude Drive, south of Shady Grove Road, and west of Frederick Road (MD 355), in accordance with the plans submitted under the O-3 zoned Comprehensive Planned Development Special Development Procedure Provisions of the City of Rockville Zoning and Planning Ordinance; and

WHEREAS, Resolution No. 10-96 approved, *inter alia*, 3,100,700 square feet of office space; and

WHEREAS, the approved Concept Plan consists of Resolution No. 10-96 and all exhibits to Resolution No. 10-96 listed at Paragraph 1 thereof, including Exhibit 2A-D, entitled “Land Use Plan” (“Approved Concept Plan”); and

WHEREAS, on August 4, 2003, the Mayor and Council adopted Resolution 25-03 approving amended Concept Plan Application CPD 1995-0002A (“Amended Concept Plan”) (collectively, the Approved Concept Plan and the Amended Concept Plan hereinafter called the “Concept Plan”), to allow a maximum square footage of 175,000 square feet of hotel use, including ancillary uses, as an alternative use to an equivalent amount of approved office space in one of three undeveloped areas; and

WHEREAS, on June 2, 2004, King Farm Associates LLC (“Applicant”), filed amended Concept Plan Application CPD 95-0002B (“Amendment Application”) to allow a maximum

square footage of 1,200,000 square feet of independent living, assisted living and/or nursing home uses, and related recreation and common use facilities, as an alternative use to an equivalent amount of approved office space in an undeveloped area (“Senior Living Site”); and

WHEREAS, the Concept Plan (Exhibit 2A entitled “Land Use Plan”) identifies an approximately five-acre area improved by a farmstead house and barns (“Park Site”), as a park to be dedicated to the City of Rockville and which area has been deeded in fee simple by King Farm Associates LLC to the City for a park; and

WHEREAS, the Amendment Application filed by King Farm Associates LLC entitles the Mayor and Council to consider all aspects of the Concept Plan; and

WHEREAS, in connection with the Amendment Application the Mayor and Council considered, on its own initiative, a change in the potential use of the Park Site so as to enable the City to retain, sell, lease, or transfer all or part of the Park Site for use other than a park; and

WHEREAS, pursuant to Section 25-653 of the Zoning and Planning Ordinance, the Planning Commission at its meeting of July 14, 2004, reviewed the Amendment Application and proposed changes to the potential use of the Park Site and forwarded its recommendation thereon to the Mayor and Council of Rockville by memorandum dated July 19, 2004; and

WHEREAS, pursuant to Section 25-653 of the Zoning and Planning Ordinance, the Mayor and Council of Rockville gave notice that a public hearing on the Amendment Application and proposed changes to the potential use of the Park Site would be held by the Mayor and Council of Rockville in the Council Chambers at Rockville City Hall on July 19,

2004, at 7:30 p.m., or as soon thereafter as it may be heard, at which time the parties in interest and citizens would have the opportunity to be heard; and

WHEREAS, on July 19, 2004, the Amendment Application and proposed changes to the potential use of the Park Site came on for hearing at the time and place indicated in said Notice; and

WHEREAS, the matter having been fully considered by the Mayor and Council, the Mayor and Council having decided that amendments to the Amended Concept Plan would promote the health, safety and general welfare of the citizens of Rockville, the Mayor and Council further finding pursuant to Section 25-655 of the Zoning and Planning Ordinance, based upon Concept Plan Application CPD 95-0002B, the Planning Staff Report, the Planning Commission Report and Recommended Conditions dated July 19, 2004, and the public hearing of July 19, 2004, as well as the remaining matters contained in the Record, that the development proposed in the Amendment Application and that changes to the potential use of the Park Site, subject to the conditions, limitations, additions and modifications set forth herein:

1. Will not adversely affect the health or safety of persons who will reside or work in the neighborhood of the proposed development; and
 2. Will not be detrimental to the public welfare or injurious to property or improvements located or to be located in or adjacent to the development; and
 3. Will not be inconsistent with the intent or purpose of Article XII, Division 7; and
 4. Will not be contrary to the requirements contained in Division 5 of Article XII;
- and

5. Will not overburden public services including water, sanitary sewer, public roads, storm drainage or other public improvements; and

6. Complies with the development standards and requirements set forth in Division 7 of Article XII; and

7. Complies with any applicable development staging and adequate public facilities requirements included in the Concept Plan; and

8. Complies with the provisions of Chapter 25 of the Zoning and Planning Ordinance; and

9. Will not be inconsistent with the Plan as said term is defined in Chapter 25 of the Zoning and Planning Ordinance; and

10. Will not adversely affect the health or safety of persons residing or working in the subdivision or neighborhood; and

11. Will be suitable for the type of development, the use contemplated, and available public utilities and services; and

12. Will not unreasonably disturb existing topography, in order to minimize stormwater runoff and to conserve the vegetation cover and soil.¹

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that Concept Plan Application CPD95-0002B and changes to the

¹ The above findings are those findings required by Sections 25-655 and 25-727(e). Text Amendment TXT95-00154, codified in the Zoning and Planning Ordinance as Section 25-655.1(a), requires the Mayor and Council, in conjunction with their consideration of the Concept Plan to make the findings required by Section 25-727(e). Further, the Mayor and Council finds that the Amendment Application contains the information and materials required by Sections 25-651 and 25-652 for purposes of compliance with the Text Amendment.

potential uses of the Park Site be, and the same are hereby, approved as amendments to the Concept Plan in accordance with the terms, conditions and limitations set forth and described herein.

I. SECOND AMENDED CONCEPT PLAN

A. All terms and conditions of Resolution No. 10-96 and Resolution 25-03, shall remain unchanged, and in full force and effect, except as specifically modified herein.

B. The approved Land Use Plan (Exhibit 2A-D) of the Concept Plan shall be modified as shown on amended Exhibit 2A and second amended Exhibit 2D attached hereto.

II. Senior Living Site

A. The number of units and/or nursing beds shall be established at the time of detailed application.

B. If independent living units are constructed as part of a Continuing Care Retirement Community (“CCRC”), the provisions of Chapter 13.5 of the Rockville City Code (“Code”) shall be deemed satisfied by the implementation of a “Senior Affordable Housing Program,” in conformance with the program outlined in Attachment 1 attached hereto and made a part hereof, the terms of which shall be incorporated in the detailed application. If for-sale or for-rent independent living units are constructed without being part of a CCRC, the provisions of Chapter 13.5 of the Code shall apply.²

² The provisions of Chapter 13.5 of the Code do not apply to assisted living or nursing beds.

III. PARK SITE

A. Amended Exhibit 2A designates the Park Site for park or residential use or for any such other use permitted in a Comprehensive Planned Development, subject to the public hearing requirements set forth herein.

B. Prior to utilization of the Park Site, or any portion thereof, for any use other than a park or residential use, the Mayor and Council shall conduct a public hearing on the proposed use and shall initiate the process for consideration of the Park Site, or portion thereof, for designation as an historic district.

C. Neither this Amendment to the Concept Plan nor any change in the use of the Park Site from park use shall (i) be deemed a default, breach, or violation by Applicant or its successors or assigns of the Annexation Agreement, the Concept Plan, or any detailed application, permit or other approval, past or future, to implement the Concept Plan (collectively, the “Approvals”) or (ii) modify the rights and entitlements of the Applicant or its successors or assigns pursuant to said Approvals. Notwithstanding this Resolution or any ultimate use of the Park Site for other than a park, the provisions of the Concept Plan requiring dedication of a neighborhood park shall be deemed to have been satisfied and all other terms, requirements, and conditions of the Approvals, and all rights and entitlements of the Applicant or its successors or assigns thereunder shall remain and be deemed unaffected by this Amendment or by any change in the use of the Park Site from park use. Without limiting the generality of the foregoing, any use of the Park Site for other than a park shall not affect the use or extent thereof of any other

portion of King Farm that would be allowed pursuant to the Approvals if the Park Site were not used for other than a park use.

IV. LAND USE PLAN

A. Exhibits 2B and 2C dated June 12, 1996, and amended Exhibit 2A and second amended Exhibit 2D, dated March 7, 2005 shall constitute the Land Use Plan for the Concept Plan (referred to as "Exhibits 2A-D").

V. DEVELOPMENT DENSITY

A. Nonresidential.

Of the 3,100,700 square feet of office space permitted under the Concept Plan, the Applicant may alternately develop (a) in one of the three areas shown on second amended Exhibit 2D as "hotel/office", a maximum of 175,000 square feet of hotel space, which includes ancillary restaurant and conference center uses, and (b) in the area shown as "independent living, assisted living and/or nursing home uses and related recreational and common use facilities," a maximum of 1,200,000 square feet of independent living, assisted living and/or nursing home uses and related recreational and common use facilities.

* * * * *

Resolution No. _____

8

I HEREBY CERTIFY that the foregoing is a true and correct copy
of a Resolution adopted by the Mayor and Council at its meeting of
February 22, 2005.

Claire F. Funkhouser, City Clerk

1. The work is published as part of the *Compendium Plus* publication – *Global Access*.
2. The submission does not include the 300 word summary that is created by the *AbstractBot* library.
3. The work will be posted by submitting abstract, main text and cover sheet, hosted within the *AbstractBot* library. These values are publicly viewed by the Webloggers Abstract Bot Library Community (WABLC).
4. The boundary between a title and the *AbstractBot* system.
5. The *Compendium Plus* is being submitted under an open source method of development as outlined in the O.S. line under the *Compendium Plus* development provisions.

[illegible]

12 Parking on private roadways will count towards the required parking requirements.

(As Required by the Zoning Ordinance to be approved by the Mayor and Council)

1. *Request of any other like literature* (Bhagwats, item 20) for the authors' approval under approved by the Mayor and Council as part of a research application.

Approved deduction: For the entire comprehensive physical development, but not more than the building, not less than twenty-five (25) percent of all on-street parking spaces for motor vehicles shall be located underground or in parking structures.

[illegible]

Legend

APPROVED

Future Connection

to serve
 enclosed. Drawn
 with reserve in
 1) Section
 approved future

Date of Approval
By Resolution #

DEPARTMENTAL:
MCCARTHY & ASSOCIATES, INC.
1540 OLD HILL ROAD
SUITE 20
UPPER MERIDEN, MARYLAND 20771

[illegible]

Rehydration Weight	3.5	3.5	3.5	1.80*
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Accessory Buildings/Lot Standards 30%

If a corner has
from side across line (along which are standing the front)
from side across line (along which are standing the rear front)
from rear left line

•
10
10
or

Across Area

A
Acres may also
be used for any
other purpose

8
to Park/Monumental A

Baltimore Street North

Insurance Co.
and Bonds in
Association

3 Story Max.

AMENDEL
Exhibit

$\rho = \rho_0 + \rho_1 \cos \theta + \rho_2 \cos 2\theta + \dots$

**PROPOSAL
FOR THE
CITY OF ROCKVILLE
AFFORDABLE SENIOR HOUSING PROGRAM
FOR THE
KING FARM
CONTINUING CARE RETIREMENT COMMUNITY**

September 29, 2004
Revised December 16, 2004
Revised February 28, 2005

PURPOSE

In view of the special characteristics of a continuing care retirement community (CCCR), the purpose of this Proposal is to establish an Affordable Senior Housing Program (the “Program”) as an acceptable housing program concept for approval by the Mayor and Council as fulfilling the requirements of the Moderately Priced Dwelling Unit Ordinance if a CCRC is constructed at King Farm. If senior housing other than a CCRC is constructed (*i.e.*, for sale or conventional rental), then in lieu of this Program the requirements of the MPDU law for such construction will be applicable.

1. INTRODUCTION AND PROGRAM SUMMARY

Ingleside at Rock Creek in Washington, DC and Westminster at Lake Ridge in Virginia (“Ingleside/Westminster”), both nationally accredited, charitable, non-profit, continuing care retirement communities, have been providing affordable housing and services to seniors since 1906. As sponsors of the King Farm Retirement Community, we seek to expand this proud 100-year heritage of caring for seniors to the residents of Rockville and Montgomery County.

This CCRC will be an elderly residential community that provides for the housing and health needs of its residents through each of three (3) levels of care— independent living, assisted living, and skilled nursing care. The following addresses how Ingleside/Westminster proposes to comply with the goals and objectives of the City’s Moderately Priced Dwelling Unit Law through (a) designation of 12.5% of the residents (pairs of residents living in the same unit will equal one resident for this percentage calculation) as Program participants; (b) making a mix of units and rents available to Program participants; (c) establishment of a “Rental Assistance Fund”; (d) providing rental subsidies to Program participants as needed to reduce rents to the MPDU rental limits; and (e) maintaining a constant of ten (10) Program participants that have received reduced entry fees in Phase I of the project (assuming 250 independent living units) and fourteen (14) additional Program participants that have received reduced entry fees in Phase II (assuming 350 independent living units). We believe this Program, as more fully detailed below, will meet an important unfulfilled need in the community, and fully satisfy the goals and objectives of the City’s MPDU requirements.

2. CONTINUING CARE RETIREMENT COMMUNITIES (CCRCs)

2.1. Background

There are two primary costs involved for the residents choosing a CCRC—a one-time fully refundable deposit and a monthly fee. The deposit will vary depending on the size of the unit and covers the cost of building the unit, community spaces and site work. The monthly fee covers all utilities (with the exception of telephone), use of all the activities areas, a daily meal of their choice, housekeeping, maintenance of units and grounds, 24-hour security, transportation and other resident amenities, and the "rental" cost of the unit, as more fully discussed below.

Our CCRCs are structured around a commitment to offer units at moderately priced levels, thus enabling many more seniors to have access to the worry-free independent lifestyle. We also serve seniors who have traditionally been unable to consider a retirement community due to financial limitations, who are often forced to remain in a house with the accompanying concerns and burdens about home and yard maintenance, security, meals and loneliness.

2.2. The CCRC Resident

The average age of CCRC residents at move-in is approximately 78 years old, composed of 55% widowed females, 5% widowed males and 40% couples. The typical CCRC resident will have owned a home within ten miles of the CCRC and therefore is already a member of the existing community. Most individuals who decide to move into a CCRC base their decision on their current or future healthcare needs.

2.3. The CCRC Community

CCRCs offer a unified setting, and provide three basic levels of care. The levels are as follows:

Independent Living

Independent living units are much like typical apartment living but with a wide range of services available. These include the main meal each day, housekeeping and maintenance of the unit and grounds, emergency call alarms, transportation and an abundance of activities. An on-site clinic with nursing staff provides care for day-to-day health needs and implementing individual health maintenance programs designed to prevent problems. Should a resident suffer an illness or injury that requires temporary nursing assistance, the CCRC provides a home healthcare

program which allows the resident to stay comfortably and independently in their unit while they receive the help that they need.

Assisted Living

Residents of the Assisted Living Facility live in a private residential setting and receive three meals a day and also receive help, if needed with bathing, dressing and the other necessary activities of daily living. This level of residential facility serves two purposes. First, if a resident should suffer an illness or injury which temporarily requires more intensive care than can be provided in the independent living unit, a private room is utilized at the Assisted Living Facility. Second, if a resident's health should decline and they are unable to continue living in the independent unit, they can move to the Assisted Living Facility and still retain a certain degree of independence.

Skilled Nursing Facility

The Skilled Nursing Facility provides residents with the highest level of care available on the campus. The facility can also be utilized in two ways. First, residents recovering from hospitalization or illness may be temporarily admitted to the Skilled Nursing Facility. Second, residents requiring long-term care may make the Skilled Nursing Facility their permanent residence.

3. CCRC MPDU CONCEPTUAL ISSUES

3.1. Rental Versus For-Sale MPDUs

The MPDU Law applies to housing units that are offered both for rent and for sale. CCRCs neither rent nor sell their housing units. Instead, each resident enters into a fee-for-service agreement called a "Residence and Care Agreement" (an "RCA"), that entitles the resident to an appropriate level of housing and healthcare, based on the resident's needs and abilities, for which the resident pays a monthly fee. Because the entrance deposit is fully refundable, we believe the housing and medical services offered to residents is more closely analogous to a rental agreement rather than a sale. For the identified Program participants (see Paragraph 3.3 below), we propose to use the rental MPDU regulations applied to a portion of the monthly fees as the starting point for our Program.

3.2. Entrance Criteria

CCRCs have three basic entrance criteria. All three criteria are necessary to provide the CCRC form of housing to its residents. The first is an entrance deposit that is fully refundable to the resident or their estate in the event of their death or if they leave and their unit is reoccupied. The entrance deposit does not accrue interest or earn income. The resident is able to use the entrance deposit as a means of financing their healthcare needs. The entrance deposit retires the construction debt and acts as a buffer to insure the community and the resident that they will have the money to afford their future healthcare as required by State law governing a CCRC. The fully refundable entrance deposit is the lynchpin of the continuing care concept and is necessary to achieve this form of moderately priced housing.

The second entrance criteria is a health evaluation. The results of this medical review allow the professionally trained CCRC staff to determine the appropriate level of care for the incoming resident.

The third criteria is an income test, which is 1.5 times the monthly fee.

3.3. Designation of Program Participants

A CCRC is a total healthcare system *that requires a resident to move through levels of care*. For purposes of the Program, Ingleside/Westminster proposes to focus on the required percent of income-eligible individuals rather than units. We will seek to qualify residents equivalent to 12.5% of the independent living

units under the applicable MPDU income eligibility criteria. Pairs living in a single unit will be counted as only one (1) participant. Except as explained in Paragraph 4.2 below, the full entry deposit as previously discussed would be required from Program participants and previous homeowners would be accepted. Once an income-eligible individual is accepted for the Program, we will place the Program participant in a unit. During the course of the Program participant's life, he or she will move, according to their healthcare needs, to independent, assisted or skilled nursing care. To accomplish the ability of a Program participant to move through the levels of care, we cannot restrict the Program participants to specified Program units.

A variety of independent living units, including one- and two-bedroom units, will be available to the Program participant. We propose that individuals in the Program occupy a mix of units and rents within the MPDU range. The mix of units would include one-bedroom and two-bedroom units. The rent portion of the monthly fee, along with the other anticipated charges, form the total monthly fee. The anticipated components of the monthly fee are discussed below at Paragraph 5. Units occupied by designated Program participants will have the same amenities, service package and access to healthcare as comparable market-based units within the CCRC.

3.4. Confidentiality of Program Participants

CCRCs provide residents the opportunity to interact with others in a meaningful way, sharing life experiences. We would preserve the dignity of a Program participant by maintaining the privacy of such a resident's financial situation. We propose that participation in the Program be confidential, except as required for reporting purposes to ensure compliance with the Program.

3.5. Residence and Care Agreement

The Residence and Care Agreement (RCA) will prohibit residents from assigning the RCA or from subletting the unit. We desire to treat all residents of the CCRC equally; thus we do not intend to insert into the RCA any Program requirements. Instead, we agree that if the Program RCA is terminated, we shall designate another qualifying individual to act as a Program participant if one exists.

3.6. Lack of Qualifying Applicants

We will take referrals from the City of Rockville Department of Housing and Community Development and will determine whether referred individuals meet the CCRC asset and health criteria. If referrals are not available from DHCD, we will seek MPDU-qualified applicants from the general public. If we are unable to find MPDU-qualified residents, then units can be rented to the general public.

4. RENTAL AND ENTRANCE FEE ASSISTANCE PROGRAM

4.1. Rent

A resident of an independent living unit in a CCRC pays a monthly fee which covers a myriad of services and housing. We have estimated these components to include the following: food service (17%), resident services-activities/transportation (15%), environmental services-housekeeping/maintenance/utilities (17%), administration (6%) and depreciation (2%). We have calculated that approximately 43% of the monthly fees currently being proposed for independent living units is attributable to "rent." We have also provided a chart below that shows these estimates in greater detail:

UNIT	MONTHLY FEE	FOOD SERVICE	ACTIVITIES	ENVIRONMENT	ADMINISTRATION	DEPRECIATION	RENT
		17%	15%	17%	6%	2%	
1 BR	\$1,500	\$255	\$225	\$255	\$90	\$30	<u>\$645</u>
2 BR	\$2,100	\$357	\$315	\$357	\$126	\$42	<u>\$903</u>

Under the Program, a one-bedroom unit would have a projected monthly fee of \$1,500. This would be equivalent to approximately \$645 monthly "rent," and would qualify under the current MPDU rent limits. A two-bedroom unit would have a projected monthly fee of \$2,100. This would be equivalent to approximately \$900 monthly "rent," and the Program participant living in this unit would receive a subsidy, as more fully described below, to bring him or her within the MPDU rental limits for two-bedroom units.

A Program participant in a two-bedroom unit, with a projected monthly fee of \$2,100, equivalent to approximately \$900 monthly "rent," would receive a monthly rent subsidy of approximately \$200 from the RAF to bring the rent portion of the monthly fee within the MPDU rent limits.

4.2. Entrance Fees

The below chart estimates the number of units, square footage, entrance fees and monthly fees for Phase I (assumes approval of 250 independent living units):

King Farm Retirement Community Phase I

UNIT TYPE	# OF UNITS	SQUARE FEET	ENTRANCE FEES		MONTHLY FEES (2)
One Bedroom – Reduced for Program Participants	10	825	\$235,000	(\$200,879)	\$1,700
One Bedroom	25	825	\$335,000	(\$286,359)	\$1,700
One Bedroom + Den	50	1,065	\$415,000	(\$354,744)	\$2,000
Two Bedroom	65	1,350	\$520,000	(\$444,498)	\$2,200
Two Bedroom Deluxe	60	1,650	\$600,000	(\$512,883)	\$2,300
Two Bedroom Den	25	2,025	\$695,000	(\$594,089)	\$2,500
Three Bedroom	15	2,500	\$810,000	(\$692,391)	\$2,700
Second Person			\$25,000	(\$21,370)	\$700
Weighted Average	250		\$533,200	(\$455,782)	\$2,624

Notes:

1. Entrance Fees will be locked in upon reservation in 2005, but paid upon occupancy in 2009. Numbers in parentheses convert entrance fees to 2005 equivalent dollars assuming 4% annual inflation.
2. Monthly Fees are listed in current 2005 dollars, and will be subject to annual inflation until occupancy in 2009.

In view of the current level of planning, the following data for Phase II (assumes approval of 350 independent living units) is a conceptual model only based on the maximum unit expansion anticipated.

**King Farm Retirement Community
Phase II**

UNIT TYPE	# OF UNITS	SQUARE FEET
One Bedroom – Reduced for Program Participants	14	825
One Bedroom	35	825
One Bedroom + Den	70	1,065
Two Bedroom	91	1,350
Two Bedroom Deluxe	84	1,650
Two Bedroom Den	35	2,025
Three Bedroom	21	2,500
Total	350	

Note:

1. Phase II represents a conceptual model for a CCRC expansion up to the maximum allowable units. Unit Mix and Square Footage assumptions are illustrative and subject to change based upon market conditions.

As part of the Program, Ingleside/Westminster will reduce the entry fees of ten (10) Program Participants in Phase I by \$100,000 and fourteen (14) Program participants in Phase II by \$100,000, as illustrated above. Further, Ingleside/Westminster agrees to maintain this number of Program participants for whom the entrance fee was reduced as constants in the Program.

4.3. Resident Assistance Fund

We will establish the “Resident Assistance Fund” (RAF)—an endowment funded initially by a \$1,000,000 grant representing developer fees returned by the non-profit sponsors to the project for the purpose of providing affordable senior housing. Additional funds will be added to the RAF by annual charitable fundraising campaigns.

Income from the RAF will be used to (a) subsidize monthly fees so that the units may be offered to Program participants at reduced rates that ensure that the rent portion of the monthly fee of the Program participant does not exceed the MPDU rent limit, and (b) assist in the reduction of the entrance fees as explained in Paragraph 4.2.

Presently, the Ingleside/Westminster RAF generates income at a rate of over \$500,000 per year as a result of charitable contributions and investment income, and provides annual resident assistance of over \$300,000 to low- and moderate-income seniors, whether or not they are Program participants.

Ingleside/Westminster are proud of their 100-year heritage of providing affordable senior housing, and residents of the new King Farm retirement community will also be protected by the same pledge—*“NO resident will ever be asked to leave because of financial hardship, and excellent service and caring will be provided to ALL residents, regardless of their ability to pay.”*

5. ADMINISTRATION OF THE PROGRAM

The following is a summary of the administrative framework for the Affordable Senior Housing Program for a King Farm continuing care retirement community (CCRC):

1. The number of Program participants will equal 12.5% of the number of independent living units in the project. We will designate individuals, not units, as participants of the Program.
2. The Income Limit for Program participants shall be as determined by the City of Rockville. The rent portion of the monthly fee shall be within the MPDU Rental Limit as determined by the applicable City of Rockville laws and regulations. Program participants may have previously owned a home.
3. We will maintain a constant of ten (10) Program participants attributable to Phase I and fourteen (14) additional Program participants attributable to Phase II whose entrance fees have been reduced by \$100,000.
4. A Residence Assistance Fund will be established by the developer and will be funded with a \$1,000,000 initial contribution for the purpose of subsidizing rents of those units for which the normal charge exceeds the MPDU limits to qualify under the Program and assisting in the reduction of entry fees for a portion of the Program participants.
5. We will work with the City of Rockville on referrals for the Program. We will take such referrals and will determine whether referred individuals meet the CCRC criteria. If applicants are not available from DHCD or if there are a lack of qualified applicants, we will offer the units to members of the general public.
6. An entry deposit will be required and shall not be considered as part of the Program. We will require an asset test in the form of a fully refundable entrance deposit which varies depending on the unit type. We will require an income test of 1.5 times the monthly fee of the unit. We will require a health evaluation to determine the level of care.
7. We will provide an annual Program compliance report to the City of Rockville.



ATTACHMENT 3

City of Rockville

MEMORANDUM

July 19, 2004

TO: Mayor and Council

FROM: Planning Commission

VIA: Scott E. Parker, AICP, Planner III *SEP*

SUBJECT: Planning Commission Recommendation Regarding Proposed Concept Plan Amendment CPD1995-0002B, King Farm.

On July 12, 2004, the Planning Commission, at a regularly scheduled and advertised meeting, reviewed and provided recommendations to the Mayor and Council on the item referenced above, as provided in the Ordinance.

The proposal reviewed is an amendment to the approved King Farm Concept Plan. The proposal is divided into two parts. The first part, which is being requested by the Applicant, is a request to amend the Land Use plan associated with the approved Concept Plan, in order to permit the addition of senior housing uses to the Irvington Centre office development area of the King Farm. The proposal for senior housing uses will be a one to one replacement of 1.25 million square feet of approved office development.

The second part of the application is at the behest of the City, and is requesting that the Land Use plan associated with the Concept Plan be amended to allow the 1.5-acre farmstead home site on the 5.5 farmstead site be designated as "park/residential/office." Currently the site is identified as "park," on the Land Use plan, and approved as such through the Concept Plan.

The Planning Commission reviewed the two parts of this amendment separately and offered separate recommendations. With respect to the first item related to the senior housing component, the Planning Commission recommended unanimously on a vote of 6-0 to approve the amendment to the Concept Plan to allow the senior housing component as proposed by the applicant. During the deliberations, the Commission stated that there is a need for this type of use, and that it would fit in well with the fabric of the new King Farm community.

With respect to the second item related to the proposed re-designation of the farmstead home site to "park/residential/office," the Commission voted 5-1 to recommend denial of the proposal.

Commissioner Johnson cast the sole vote to recommend approval. The Planning Commission stated that they did not want to see commercial uses on the farmstead site, and that the proposal to re-designate the site, in order to accommodate a potential sale by the Mayor and Council, was not appropriate, given the setting of the farmstead home within a 5.5-acre park. The Commission also expressed a reluctance to sell parkland for any reason.

The Commission also stated that a designation of commercial may create an "island" of commercial uses within a residential setting. (Staff noted that the site would be directly adjacent to the King Pontiac site, and that an island of commercial would not, in fact, be created).

The Commission also felt uncomfortable acting to facilitate the sale of this property through the CPD amendment process, when the Mayor and Council have been protecting other historic properties. The Commission felt that the house and balance of the farmstead site should be designated historic first, before any other action is even considered.

Commissioner Johnson stated that this action did mean an imminent sale, and appreciated the flexibility that it would give the Mayor and Council.

In addition, two citizens testified, including the President of the King Farm Citizens Association, Dr. Alan Kaplan. He stated that he was opposed to the re-designation of the farmstead, and that if a sale was indeed imminent for financial reasons, then a condition that the money be spent on refurbishing the King Farm farmstead site should be a condition, as well as historic designation. He also stated support for the first part of the amendment related to senior housing.

/sep